

BEFORE THE
CALIFORNIA BOARD OF ACCOUNTANCY
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA

In the Matter of the Accusation Against:

JEFFREY WILLIAM FREEMAN

Certified Public Accountant License No. 68714

Respondent.

Case No. AC 2011-13

OAH No. L-2011061385

DECISION AND ORDER


The attached Stipulated Settlement and Disciplinary Order is hereby adopted by the California Board of Accountancy, Department of Consumer Affairs, as its Decision in this matter.

This Decision shall become effective on

June 28, 2012

It is so ORDERED

May 29, 2012



FOR THE CALIFORNIA BOARD OF
ACCOUNTANCY
DEPARTMENT OF CONSUMER AFFAIRS

1 KAMALA D. HARRIS
Attorney General of California
2 GREGORY J. SALUTE
Supervising Deputy Attorney General
3 KEVIN J. RIGLEY
Deputy Attorney General
4 State Bar No. 131800
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Attorneys for Complainant
7

8 **BEFORE THE**
CALIFORNIA BOARD OF ACCOUNTANCY
9 **DEPARTMENT OF CONSUMER AFFAIRS**
10 **STATE OF CALIFORNIA**

11 In the Matter of the Accusation Against:

Case No. AC 2011-13

12 **JEFFREY WILLIAM FREEMAN**
1976 South La Cienega Blvd. #124
13 Los Angeles, CA 90034

OAH No. L-2011061385

**STIPULATED SETTLEMENT AND
DISCIPLINARY ORDER**

14 Certified Public Accountant License No. 68714
15

16 Respondent.
17

18 IT IS HEREBY STIPULATED AND AGREED by and between the parties to the above-
19 entitled proceedings that the following matters are true:

20 PARTIES

21 1. Patti Bowers (Complainant) is the Executive Officer of the California Board of
22 Accountancy. She brought this action solely in her official capacity and is represented in this
23 matter by Kamala D. Harris, Attorney General of the State of California, by Kevin J. Rigley,
24 Deputy Attorney General.

25 2. Respondent Jeffrey William Freeman (Respondent) is represented in this proceeding
26 by attorney James Victor Kosnett, whose address is: 11355 West Olympic Blvd., Suite 300
27 Los Angeles, CA 90064.

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1 3. On or about May 12, 1995, the California Board of Accountancy issued Certified
2 Public Accountant License No. 68714 to Jeffrey William Freeman (Respondent). The Certified
3 Public Accountant License was in full force and effect at all times relevant to the charges brought
4 in Accusation No. AC 2011-13 and will expire on December 31, 2012, unless renewed.

5 JURISDICTION

6 4. Accusation No. AC 2011-13 was filed before the California Board of Accountancy
7 (CBA), Department of Consumer Affairs, and is currently pending against Respondent. The
8 Accusation and all other statutorily required documents were properly served on Respondent on
9 April 8, 2011. Respondent timely filed his Notice of Defense contesting the Accusation. A copy
10 of Accusation No. AC 2011-13 is attached as Exhibit A and incorporated herein by reference.

11 ADVISEMENT AND WAIVERS

12 5. Respondent has carefully read, fully discussed with counsel, and understands the
13 charges and allegations in Accusation No. AC 2011-13. Respondent has also carefully read, fully
14 discussed with counsel, and understands the effects of this Stipulated Settlement and Disciplinary
15 Order.

16 6. Respondent is fully aware of his legal rights in this matter, including the right to a
17 hearing on the charges and allegations in the Accusation; the right to be represented by counsel at
18 his own expense; the right to confront and cross-examine the witnesses against him; the right to
19 present evidence and to testify on his own behalf; the right to the issuance of subpoenas to compel
20 the attendance of witnesses and the production of documents; the right to reconsideration and
21 court review of an adverse decision; and all other rights accorded by the California
22 Administrative Procedure Act and other applicable laws.

23 7. Respondent voluntarily, knowingly, and intelligently waives and gives up each and
24 every right set forth above.

25 CULPABILITY

26 8. Respondent understands that the charges and allegations in Accusation
27 No. AC 2011-13, if proven at a hearing, constitute cause for imposing discipline upon his
28 Certified Public Accountant License.

9. For purposes of resolving Accusation No. AC 2011-13 without the expense and uncertainty of further proceedings, Respondent agrees that, at a hearing, Complainant could establish a prima facie factual basis for the charges in Accusation No. AC 2011-13 and that those charges constitute cause for discipline. Respondent further agrees that he is estopped from denying that cause exists for discipline on his license in any future proceedings and hereby gives up his right to contest that cause for discipline exists based upon those charges.

10. Respondent agrees that his Certified Public Accountant License is subject to discipline and he agrees to be bound by the CBA's terms as set forth in the Disciplinary Order below.

CONTINGENCY

11. This stipulation shall be subject to approval by the California Board of Accountancy. Respondent understands and agrees that counsel for Complainant and the staff of the California Board of Accountancy may communicate directly with the CBA regarding this stipulation and settlement, without notice to or participation by Respondent or his counsel. By signing the stipulation, Respondent understands and agrees that he may not withdraw his agreement or seek to rescind the stipulation prior to the time the CBA considers and acts upon it. If the CBA fails to adopt this stipulation as its Decision and Order, the Stipulated Settlement and Disciplinary Order shall be of no force or effect, except for this paragraph, it shall be inadmissible in any legal action between the parties, and the CBA shall not be disqualified from further action by having considered this matter.

12. The parties understand and agree that facsimile copies of this Stipulated Settlement and Disciplinary Order, including facsimile signatures thereto, shall have the same force and effect as the originals.

13. This Stipulated Settlement and Disciplinary Order is intended by the parties to be an integrated writing representing the complete, final, and exclusive embodiment of their agreement. It supersedes any and all prior or contemporaneous agreements, understandings, discussions, negotiations, and commitments (written or oral). This Stipulated Settlement and Disciplinary

Order may not be altered, amended, modified, supplemented, or otherwise changed except by a writing executed by an authorized representative of each of the parties.

14. In consideration of the foregoing admissions and stipulations, the parties agree that the CBA may, without further notice or formal proceeding, issue and enter the following Disciplinary Order:

DISCIPLINARY ORDER

IT IS HEREBY ORDERED that Certified Public Accountant License No. 68714 issued to Respondent Jeffrey William Freeman (Respondent) is revoked. However, the revocation is stayed and Respondent is placed on probation for five (5) years on the following terms and conditions.

1. **Obey All Laws.** Respondent shall obey all federal, California, other states' and local laws, including those rules relating to the practice of public accountancy in California.

2. **Submit Written Reports.** Respondent shall submit, within ten (10) days of completion of the quarter, written reports to the CBA on a form obtained from the CBA. The Respondent shall submit, under penalty of perjury, such other written reports, declarations, and verification of actions as are required. These declarations shall contain statements relative to Respondent's compliance with all the terms and conditions of probation. Respondent shall immediately execute all release of information forms as may be required by the CBA or its representatives.

3. **Personal Appearances.** Respondent shall, during the period of probation, appear in person at interviews/meetings as directed by the CBA or its designated representatives, provided such notification is accomplished in a timely manner.

4. **Comply With Probation.** Respondent shall fully comply with the terms and conditions of the probation imposed by the CBA and shall cooperate fully with representatives of the Board of Accountancy in its monitoring and investigation of the Respondent's compliance with probation terms and conditions.

5. **Practice Investigation.** Respondent shall be subject to, and shall permit, practice investigation of the Respondent's professional practice. Such a practice investigation shall be

1 conducted by representatives of the CBA, provided notification of such review is accomplished in
2 a timely manner.

3 6. **Comply With Citations.** Respondent shall comply with all final orders resulting
4 from citations issued by the Board of Accountancy.

5 7. **Tolling of Probation For Out-of-State Residence/Practice.** In the event
6 Respondent should leave California to reside or practice outside this state, Respondent must
7 notify the CBA in writing of the dates of departure and return. Periods of non-California
8 residency or practice outside the state shall not apply to reduction of the probationary period, or
9 of any suspension. No obligation imposed herein, including requirements to file written reports,
10 reimburse the CBA costs, or make restitution to consumers, shall be suspended or otherwise
11 affected by such periods of out-of-state residency or practice except at the written direction of the
12 CBA.

13 8. **Violation of Probation.** If Respondent violates probation in any respect, the CBA,
14 after giving Respondent notice and an opportunity to be heard, may revoke probation and carry
15 out the disciplinary order that was stayed. If an accusation or a petition to revoke probation is
16 filed against Respondent during probation, the CBA shall have continuing jurisdiction until the
17 matter is final, and the period of probation shall be extended until the matter is final.

18 9. **Completion of Probation.** Upon successful completion of probation, Respondent's
19 license will be fully restored.

20 10. **Active License Status.** Respondent shall at all times maintain an active license
21 status with the CBA, including during any period of suspension. If the license is expired at the
22 time the CBA's decision becomes effective, the license must be renewed within 30 days of the
23 effective date of the decision.

24 11. **Cost Reimbursement.** Respondent shall reimburse the CBA its costs of
25 investigation and prosecution in the amount of ten thousand, two hundred nineteen dollars and
26 sixty seven cents (\$10,219.67), which sum shall be paid on a schedule approved by the CBA. In
27 no event shall the final payment be due and/or paid less than six (6) months prior to the end of
28 probation.

12. **Psychotherapy.** Respondent shall undergo and continue treatment by a licensed psychotherapist of Respondent's choice and approved by the CBA or its designee until the treating psychotherapist certifies in writing in a report to the CBA or its designee that treatment is no longer necessary or until the completion of Respondent's probation, whichever occurs first. Respondent shall have the treating psychotherapist submit reports to the CBA at intervals determined by the CBA or its designee. Respondent is responsible for costs of treatment and reports.

ACCEPTANCE

I have carefully read the above Stipulated Settlement and Disciplinary Order and have fully discussed it with my attorney, James Victor Kosnett. I understand the stipulation and the effect it will have on my Certified Public Accountant License. I enter into this Stipulated Settlement and Disciplinary Order voluntarily, knowingly, and intelligently, and agree to be bound by the Decision and Order of the California Board of Accountancy.

DATED:

JEFFREY WILLIAM FREEMAN
Respondent

I have read and fully discussed with Respondent Jeffrey William Freeman the terms and conditions and other matters contained in the above Stipulated Settlement and Disciplinary Order. I approve its form and content.

DATED:

James Victor Kosnett
Attorney for Respondent

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/ / /

12. **Psychotherapy.** Respondent shall undergo and continue treatment by a licensed psychotherapist of Respondent's choice and approved by the CBA or its designee until the treating psychotherapist certifies in writing in a report to the CBA or its designee that treatment is no longer necessary or until the completion of Respondent's probation, whichever occurs first. Respondent shall have the treating psychotherapist submit reports to the CBA at intervals determined by the CBA or its designee. Respondent is responsible for costs of treatment and reports.

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I have carefully read the above Stipulated Settlement and Disciplinary Order and have fully discussed it with my attorney, James Victor Kosnett. I understand the stipulation and the effect it will have on my Certified Public Accountant License. I enter into this Stipulated Settlement and Disciplinary Order voluntarily, knowingly, and intelligently, and agree to be bound by the Decision and Order of the California Board of Accountancy.

DATED:

2/21/12

JEFFREY WILLIAM FREEMAN
Respondent

I have read and fully discussed with Respondent Jeffrey William Freeman the terms and conditions and other matters contained in the above Stipulated Settlement and Disciplinary Order. I approve its form and content.

DATED:

2/21/12

James Victor Kosnett
Attorney for Respondent

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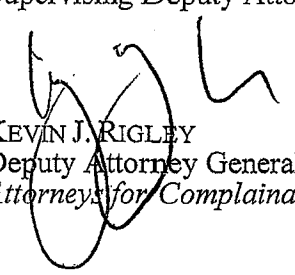
ENDORSEMENT

The foregoing Stipulated Settlement and Disciplinary Order is hereby respectfully submitted for consideration by the California Board of Accountancy of the Department of Consumer Affairs.

Dated: 4/17/12

Respectfully submitted,

KAMALA D. HARRIS
Attorney General of California
GREGORY J. SALUTE
Supervising Deputy Attorney General


KEVIN J. RIGLEY
Deputy Attorney General
Attorneys for Complainant

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Stipulation.rtf

Exhibit A

Accusation No. AC 2011-13

1 KAMALA D. HARRIS
Attorney General of California
2 GREGORY J. SALUTE
Supervising Deputy Attorney General
3 KEVIN J. RIGLEY
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Attorneys for Complainant
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8 **BEFORE THE**
CALIFORNIA BOARD OF ACCOUNTANCY
9 **DEPARTMENT OF CONSUMER AFFAIRS**
10 **STATE OF CALIFORNIA**

11 In the Matter of the Accusation Against:

Case No. AC 2011-13

12 **JEFFREY WILLIAM FREEMAN**
1976 S. La Cienega Blvd., #124
13 Los Angeles, CA 90034-1627

A C C U S A T I O N

14 Certified Public Accountant License No. 68714

15 Respondent.
16

17 Complainant alleges:

18 **PARTIES**

19 1. Patti Bowers (Complainant) brings this Accusation solely in her official capacity as
20 the Executive Officer of the California Board of Accountancy, Department of Consumer Affairs.

21 2. On or about May 12, 1995, the California Board of Accountancy (Board) issued
22 Certified Public Accountant License No. 68714 to Jeffrey William Freeman (Respondent). The
23 Certified Public Accountant License was in full force and effect at all times relevant to the
24 charges brought herein and will expire on December 31, 2012, unless renewed.

25 **JURISDICTION**

26 3. This Accusation is brought before the Board, under the authority of the following
27 laws. All section references are to the Business and Professions Code unless otherwise indicated.

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1 judgment of conviction has been affirmed on appeal or when an order granting probation is made,
2 suspending the imposition of sentence, irrespective of a subsequent order under the provisions of
3 Section 1203.4 of the Penal Code allowing such person to withdraw his plea of guilty and to enter
4 a plea of not guilty, or setting aside the verdict of guilty or dismissing the accusation, information
5 or indictment."

6 REGULATORY PROVISIONS

7 7. California Code of Regulations, title 16, section 99 states in pertinent part:

8 "For the purposes of denial, suspension, or revocation of a certificate or permit pursuant to
9 Division 1.5 (commencing with Section 475) of the Business and Professions Code, a crime or act
10 shall be considered to be substantially related to the qualifications, functions or duties of a
11 certified public accountant or public accountant if to a substantial degree it evidences present or
12 potential unfitness of a certified public accountant or public accountant to perform the functions
13 authorized by his or her certificate or permit in a manner consistent with the public health, safety,
14 or welfare..."

15 8. California Code of Regulations, title 16, section 99.1 states:

16 "When considering the denial of a certificate or permit under Section 480 of the Business
17 and Professions Code, the suspension or revocation of a certificate or permit or restoration of a
18 revoked certificate under Section 11522 of the Government Code, the board, in evaluating the
19 rehabilitation of the applicant and his present eligibility for a certificate or permit, will consider
20 the following criteria:

21 "(1) Nature and severity of the act(s) or offense(s).

22 "(2) Criminal record and evidence of any act(s) committed subsequent to the act(s) or
23 offense(s) under consideration which also could be considered as grounds for denial, suspension
24 or revocation.

25 "(3) The time that has elapsed since commission of the act(s) or offense(s) referred to in
26 subdivision (1) or (2).

27 "(4) The extent to which the applicant or licensee has complied with any terms of parole,
28 probation, restitution or any other sanctions lawfully imposed against the applicant or licensee.

1 “(5) If applicable, evidence of expungement proceedings pursuant to Section 1203.4 of the
2 Penal Code.

3 “(6) Evidence, if any, of rehabilitation submitted by the applicant or licensee.”

4 **COST RECOVERY**

5 9. Section 5107, subdivision (a) of the Code states:

6 “The executive officer of the board may request the administrative law judge, as part of the
7 proposed decision in a disciplinary proceeding, to direct any holder of a permit or certificate
8 found to have committed a violation or violations of this chapter to pay to the board all reasonable
9 costs of investigation and prosecution of the case, including, but not limited to, attorney fees. The
10 board shall not recover costs incurred at the administrative hearing.”

11 **FIRST CAUSE FOR DISCIPLINE**

12 **(Criminal Convictions)**

13 10. Respondent is subject to disciplinary action under sections 5100, subdivision (a),
14 5106, and 490 of the Code, in conjunction with California Code of Regulations, title 16, section
15 99, in that Respondent has been convicted of crimes substantially related to the qualifications,
16 functions, or duties of a certified public accountant, as follows:

17 a. On or about August 12, 2010, after pleading nolo contendere, Respondent was
18 convicted of one felony count of violating Penal Code section 311.11(a) [possession of matter
19 depicting minor engaging in sexual conduct] and one misdemeanor count of violating Penal Code
20 section 314.1 [indecent exposure], in the criminal proceeding entitled *The People of the State of*
21 *California vs. Jeffrey William Freeman* (Super. Ct. Los Angeles County, 2010, No. SA074353).
22 Respondent was sentenced to 364 days in custody starting October 1, 2010, ordered to attend a
23 52-week Sex Offender Program, register as a sex offender pursuant to Penal Code 290.3 and
24 placed on formal probation for a period of 5 years with certain terms and conditions. The
25 circumstances surrounding the convictions are that from approximately November 2008 through
26 approximately March 2010, Respondent, by his own admission, exposed himself with his pants
27 and underwear down in public to female juveniles on multiple occasions. As a result of a search
28 warrant that was executed at Respondent’s residence, detectives with the El Segundo Police

1 Department found and seized pornographic images of minor females that had been downloaded
2 by Respondent on one or more of Respondent's computers.

3 **SECOND CAUSE FOR DISCIPLINE**

4 **(Unprofessional Conduct)**

5 11. Respondent is subject to disciplinary action under section 5100, in conjunction with
6 California Code of Regulations, title 16, section 99, in that in committing the acts alleged above
7 in paragraph 10, subparagraph (a), Respondent's actions constitute unprofessional conduct.
8 Complainant refers to, and by this reference incorporates, the allegations as set forth above in
9 paragraph 10, subparagraph (a), inclusive, as though set forth fully.

10 **PRAAYER**

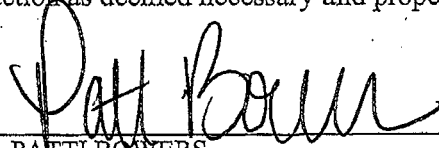
11 WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged,
12 and that following the hearing, the Board issue a decision:

13 1. Revoking or suspending or otherwise imposing discipline upon Certified Public
14 Accountant License No. 68714, issued to Jeffrey William Freeman;

15 2. Ordering Jeffrey William Freeman to pay the Board the reasonable costs of the
16 investigation and enforcement of this case, pursuant to Business and Professions Code section
17 5107; and

18 3. Taking such other and further action as deemed necessary and proper.

19
20 DATED: April 4, 2011


PATTI BOWERS
Executive Officer
California Board of Accountancy
Department of Consumer Affairs
State of California
Complainant

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